

# SCR21

Measure Title: APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-652  
INOAOLE STREET, WAIMANALO, HAWAII.

Report Title:

Description:

Companion: HCR15

Package: Governor

Current Referral: HOU, WAM

Introducer(s): KOUCHI (Introduced by request of another party)

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HOUSING**

March 9, 2017 at 2:45 p.m.  
State Capitol, Room 225

In consideration of  
**S.C.R. 21 APPROVING THE SALE OF THE LEASED FEE INTEREST IN  
41-652 INOAOLE STREET, WAIMANALO, HAWAII.**

The HHFDC supports S.C.R. 21. HHFDC is seeking legislative approval to sell the leased fee interest in this single family home to its leasehold owner.

This house was built in 1975 as part of the Hale Aupuni affordable for-sale development. Only 17 homes out of the 190 homes in the development remain in leasehold. The fair market value of the leased fee interest in 41-652 Inoaole Street as of April 26, 2016 was \$152,700.

A title search conducted by Title Guaranty of Hawaii on August 24, 2016, showed that this parcel was classified as Government land previous to August 15, 1895. HHFDC conducted a public meeting on the proposed sale on August 10, 2016, at Waimanalo Public & School Library, Waimanalo, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on August 3 and 5, 2016. There was no objection to the proposed sale raised at that time.

HHFDC has also worked with the Office of Hawaiian Affairs during the interim to keep them informed of these findings and intent to sell the leased fee interest in this parcel. A copy of the draft resolution was provided to OHA on October 3, 2016.

The attached documents provide more information on this property:

1. A map showing the general location of Hale Aupuni;
2. A photo of the property; and
3. A copy of the title report for the parcel.

Thank you for the opportunity to testify.

# Google Maps 41-652 Inoaole St Waimanalo, Hawaii



**41-652 Inoaole St**  
Waimanalo, HI 96795





# TITLE GUARANTY OF HAWAII, INC.

Established in 1896

August 23, 2016

RECEIVED  
HAWAII HOUSING FINANCE  
DEVELOPMENT CORP

2016 AUG 24 1:43

ELAINE GOMA  
STATE OF HAWAII – HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
REAL ESTATE SERVICES SECTION  
677 QUEEN STREET, SUITE 300  
HONOLULU, HAWAII 96813

Re: TG Order No. 201627012  
Project: HALE AUPUNI  
Unit/Lot No: 189  
Property Address: 41-652 Inoaole Street, Waimanalo, Hawaii 96795  
TMK: (1) 4-1-033-189  
Lessee: Judy Moon Ling Ching (formerly known as Judy Moon  
Ling Stender)

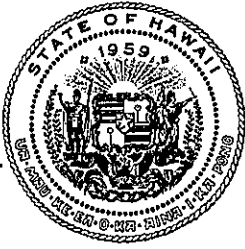
Dear Ms. Goma,

In accordance with your request of August 11, 2015, I confirm that as of **August 15, 1895**, the subject land was part of the **Government (Crown) Land of Waimanalo, District of Koolaupoko, Island of Oahu**.

In the Hawaiian Homes Commission Act of 1920, the subject land, besides other land, was designated as "available land".

By Exchange Deed dated January 8, 1962, recorded in the Bureau of Conveyances in Liber 4265 at Page 425, the DEPARTMENT OF HAWAIIAN HOME LANDS of the State of Hawaii conveyed the subject land, besides other land, to the STATE OF HAWAII by its Board of Land and Natural Resources.

By Land Patent Grant Number S-15,206 dated September 5, 1974, the STATE OF HAWAII, by its Board of Land and Natural Resources, conveyed the subject land, besides other lands to the HAWAII HOUSING AUTHORITY, a Hawaii corporation and body public..



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON HOUSING**

Thursday, March 9, 2017  
2:45 PM  
State Capitol, Conference Room #225

In consideration of

- SCR 19 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-529  
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 20 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-648  
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 21 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-652  
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 22 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-659  
INOAOLE STREET, WAIMANALO, HAWAII;**
- SCR 23 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-1362  
WAIKALOA STREET, WAIMANALO, HAWAII;**
- SCR 24 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-029  
KUAHELANI AVENUE, NO. 128, MILILANI, HAWAII;**
- SCR 25 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 94-946  
MEHEULA PARKWAY, NO. 264, MILILANI, HAWAII;**
- SCR 26 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 94-946  
MEHEULA PARKWAY, NO. 363, MILILANI, HAWAII;**
- SCR 27 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 94-950  
MEHEULA PARKWAY, NO. 367, MILILANI, HAWAII; and**
- SCR 28 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 47-394  
KEOHAPA PLACE, KANEOHE, HAWAII.**

Chair Espero, Vice Chair Harimoto and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SCR19 through SCR 28, all part of the Administration's legislative package. HHFDC is seeking legislative approval to sell the leased fee interest in these homes to their respective leasehold owners. HHFDC has met all statutory prerequisites to request approval of the sale of these parcels.

Accordingly, DBEDT respectfully requests that the Committee pass these concurrent resolutions. Thank you for the opportunity to testify.



**SCR21**  
**APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-652 INOAOLE STREET,**  
**WAIMANALO, HAWAII**  
Senate Committee on Housing

March 14, 2017

2:45 p.m.

Conference Room 225

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SCR21, which approves the sale of the leased fee interest in a single-family home in the Hale Aupuni affordable housing project. While the lands identified for the sale of the leased fee interest in SCR21 are “ceded” lands, the proposed sale falls within an OHA Board of Trustees (BOT) Executive Policy, which provides that OHA will not oppose such a resolution. Accordingly, **OHA does not oppose the sale of this leased fee interest.**

SCR21 has been offered for consideration by the Legislature in accordance with Act 176, Session Laws of Hawai‘i 2009, as amended. Among other things, Act 176 requires a two-thirds approval by both houses of the Legislature before any specific lands controlled by the State can be sold (including, but not limited to, “ceded” lands).

In general, sales of “ceded” lands raise significant concerns for OHA and its beneficiaries, because the Native Hawaiian people’s unrelinquished claims to “ceded” lands have yet to be resolved. In response to Act 176 (2009) and Act 169 (2011), the BOT adopted a “Ceded Lands” policy which states:

OHA reaffirms its policy to protect the ceded lands corpus until the unrelinquished claims of Native Hawaiians are resolved, and OHA shall oppose the alienation of any ceded lands by the State of Hawai‘i, except in the following limited situations ... (1) OHA shall not oppose a resolution submitted to the Hawai‘i State Legislature pursuant to Act 176 (2009) and Act 169 (2011) for the sale of fee simple interest of apartments, townhouses, and houses for home ownership, where... [2] there have been prior sales in the same development to the extent that the units have previously been substantially sold, or [3] sales of the fee simple interest were approved by the responsible state housing agency prior to the filing of the lawsuit *OHA v. Hawaii Finance and Development Corporation*, Civil No. 94-4207-11, First Circuit Court, State of Hawai‘i, November 4, 1994. (emphasis added).

While SCR21 proposes the sale of “ceded” lands, consistent with the policy exceptions cited above, OHA does not oppose the proposed sale of the leased fee interest at 41-652 Inoaole Street, for the following reasons:



- As of 2015, 173 of 190 of the total units in Hale Aupuni have had the fee simple interest sold (roughly 91% sold), indicating that units “in the same development... have previously been substantially sold;” and
- On January 12, 1990, the Housing Finance and Development Corporation (predecessor of the current Hawai‘i Housing Finance and Development Corporation) Board of Directors voted unanimously to approve the sale of the fee simple interest in Hale Aupuni. The Housing Finance and Development Corporation, as “the responsible state housing agency,” approved the sale of the fee interest in Hale Aupuni prior to the filing of the *OHA v. HFDC* lawsuit on November 4, 1994.

Accordingly, OHA does not oppose the proposed sale in SCR21. Mahalo for the opportunity to testify on this measure.

Senator Will Espero, Chair  
Senator Breene Harimoto, Vice Chair  
Senate Committee on Housing

Testimony of Jame K. Schaedel

Tuesday, March 14, 2017

**Opposition** against Senate Concurrent Resolution No. 21 – Approving the Sale of the Leased Fee Interest in 41-652 Inoaole Street, Waimanalo, Hawaii

**WRITTEN TESTIMONY ONLY**

Thank you for the opportunity to offer testimony in strong **opposition** against Senate Concurrent Resolution No. 21 which would approve the sale of “the leased fee interest” of Crown Lands to a private citizen.

I offer this testimony as a private citizen.

This resolution states that “as of August 15, 1895, the parcel was a portion of the Government (Crown) Land of Waimanalo...”

As a Native Hawaiian, and due to the lingering and unresolved controversies surrounding the sale of Crown Lands, I vehemently oppose this resolution.

I respect the lessee’s quest to obtain full title for the land under their home. However, the lessee or their predecessor signed documents acknowledging that the land under their home was “owned” by the State of Hawai‘i vis-à-vis the Hawaii Housing Finance and Development Corporation (HHFDC) formerly known as the Housing and Community Development Corporation of Hawaii (HCDCH).

I am especially concerned about this resolution because I believe the sale and/or use of Crown Lands authorized by the Legislature should be held to the same level of scrutiny imposed upon the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

For these reasons, I strongly encourage you to defer this resolution.

Respectfully,

Jame K. Schaedel